

ties, accompanied by the Hon. C. M. Cureton, Chief Justice of the Supreme Court, and the committees on the part of the House and Senate, heretofore appointed to arrange for the inaugural ceremonies, appeared at the Bar of the House, and, being admitted, were escorted to seats on the Speaker's stand.

Bishop Clinton S. Quinn, of the Episcopal Diocese of Texas, offered prayer.

Miss Lillian Sellers, accompanied by Mrs. Stacy, sang several selections for the assemblage.

Hon. Edgar Witt, Lieutenant-Governor-elect, came forward and took the constitutional oath of office, which was administered to him by Chief Justice C. M. Cureton, and he also affixed his signature to the official oath, Chief Justice Cureton attesting same with the great seal of the Commonwealth of Texas.

Senator Walter Woodul, President Pro Tempore of the Senate, presented Lieutenant-Governor Edgar Witt.

Lieutenant-Governor Edgar Witt then addressed the Joint Session and the assemblage.

The Hon. Miriam A. Ferguson, Governor-elect, came forward and took the constitutional oath of office, which was administered to her by Chief Justice Cureton, and she affixed her signature to the official oath, Chief Justice Cureton attesting same with the great seal of the Commonwealth of Texas.

Hon. Coke Stevenson presented Hon. T. H. McGregor, who in turn introduced the Hon. Miriam A. Ferguson, Governor.

Governor Ferguson then addressed the Joint Session and the assemblage.

SENATE RETIRES

On motion of Senator Sanderford, the Senate, at 12:30 o'clock p. m., retired to its Chamber.

ADJOURNMENT

On motion of Mr. Mathis, the House, at 12:35 o'clock p. m., adjourned until 2 o'clock p. m., Wednesday, January 18.

APPENDIX

REPORT OF THE COMMITTEE ON ENROLLED BILLS

Committee Room,
Austin, Texas, January 16, 1933.
Hon. Coke Stevenson, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 1, To protest the abandonment of Fort Russell, near Marfa, Texas,

Has carefully compared same, and finds it correctly enrolled.

LOUISE SNOW PHINNEY,
For Chairman.

Committee Room,
Austin, Texas, January 16, 1933.
Hon. Coke Stevenson, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 6, Providing for a Joint Session of the House and Senate to inaugurate the Governor and Lieutenant-Governor-Elect,

Has carefully compared same, and finds it correctly enrolled.

LOUISE SNOW PHINNEY,
For Chairman.

SEVENTH DAY

(Wednesday, January 18, 1933)

The House met at 2 o'clock p. m., pursuant to adjournment, and was called to order by Speaker Stevenson.

The roll was called and the following Members were present:

Mr. Speaker.	Butler.
Adamson.	Calvert.
Aikin.	Camp.
Alexander.	Canon.
Alsup.	Cathey.
Anderson	Caven.
of Bexar.	Chastain.
Anderson	Clayton.
of Johnson.	Colson.
Baker.	Coombes.
Barrett.	Cowley.
Barron.	Crossley.
Beck.	Daniel.
Bedford.	Davidson.
Bourne.	Dean.
Bradley.	Devall.
Burns.	Dunlap.

Dunagan.	McCullough.
Duvall.	McGregor.
Dwyer.	McKee.
Engelhard.	Merritt.
Fain.	Metcalfe.
Few.	Mitcham.
Fisher.	Moffett.
Ford.	Moore.
Fuchs.	Morrison.
Glass.	Morse.
Golson.	Munson.
Good.	Nicholson.
Goodman.	Palmer.
Graves.	Parkhouse.
Greathouse.	Patterson.
Griffith.	Pavlica.
Haag.	Pope.
Hankamer.	Puryear.
Harman.	Ramsey.
Harris.	Ratliff.
Harrison.	Ray.
Hartzog.	Reed of Bowie.
Head.	Reed of Dallas.
Hicks.	Renfro.
Hill of Brazoria.	Riddle.
Hill of Webb.	Roberts.
Hodges.	Rogers of Hunt.
Holekamp.	Rogers of Ochiltree.
Holland.	Rollins.
Holloway.	Ross.
Hoskins.	Russell.
Huddleston.	Savage.
Hughes.	Scarborough.
Hunt.	Scott.
Hyder.	Shannon.
James.	Shults.
Jefferson.	Smith.
Johnson	Stanfield.
of Anderson.	Steward.
Johnson	Stinson.
of Dimmit.	Stovall.
Jones of Atascosa.	Sullivant.
Jones of Runnels.	Tarwater.
Jones of Shelby.	Tennyson.
Kayton.	Thomas.
Kyle of Hays.	Tillery.
Kyle of Palo Pinto.	Townsend.
Laird.	Turlington.
Latham.	Van Zandt.
Lemens.	Vaughan.
Leonard.	Wagstaff.
Lindsey.	Walker.
Long.	Weinert.
Lotief.	Wells.
Magee.	West.
Mackay.	Winningham.
Mathis.	Wood.
McClain.	Young.

Absent—Excused

Hester.	McDougald.
Jackson.	Reader.

A quorum was announced present.

Prayer was offered by Rev. Geo. W. Coltrin, Chaplain.

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business.

Mr. Jackson for today and the balance of the week, on motion of Mr. Merritt.

Mr. McDougald for today and the balance of the week, on motion of Mr. Parkhouse.

Mr. Reader for today, on motion of Mr. Leonard.

Mr. Hester was granted leave of absence for today, on account of illness, on motion of Mr. Graves.

HOUSE BILLS ON FIRST READING

The following House bills, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Puryear:

H. B. No. 90, A bill to be entitled "An Act abolishing the Eighty-fourth Judicial District Court of Carson, Hutchinson, Hansford, Ochiltree, and Hemphill Counties, and rearranging, prescribing the jurisdiction, and fixing the limits for the One Hundred and Fourteenth Judicial District, consisting of Hansford, Hutchinson, Carson, and Gray Counties, and rearranging, prescribing the jurisdiction, and fixing the limits of the Thirty-first Judicial District Court, consisting of Roberts, Ochiltree, Lipscomb, Hemphill, Wheeler, and Gray Counties, and fixing the terms for the Thirty-first District Court and the One Hundred and Fourteenth District Court, etc., and declaring an emergency."

Referred to Committee on Judicial Districts.

By Mr. Steward:

H. B. No. 91, A bill to be entitled "An Act fixing the salary of the official court reporter in each judicial district composed of one county only, and in which county there is only one district court; and also in each judicial district composed of two or more counties; and also in each judicial district composed of one county, which county composes also a portion of another judicial district, etc., and declaring an emergency."

Referred to Committee on Judicial Districts.

By Mr. Pope:

H. B. No. 92, A bill to be entitled "An Act to repeal Chapter 194, pages 323 to 327, being Senate Bill No. 375, of the General Laws of the Forty-second Legislature of the State of Texas, relating to the Division of Child Welfare; providing for the re-transfer of certain duties to the State Board of Health, and declaring an emergency."

Referred to Committee on State Affairs.

By Mr. Pope and Mr. Reed of Bowie:

H. B. No. 93, A bill to be entitled "An Act to repeal Chapter 164, pages 278 and 279, being Senate Bill No. 31, General Laws of the Forty-second Legislature of the State of Texas, and to repeal Section 16 of Chapter 42, being Section 16 of Senate Bill No. 11, General Laws of the Second Called Session of the Forty-first Legislature; providing for the performance of the duties of highway patrolmen, and declaring an emergency."

Referred to Committee on State Affairs.

By Mr. Pope:

H. B. No. 94, A bill to be entitled "An Act to amend Articles 6560, 6561, 6562, 6564, 6570, 6571, 6572, and 6573, of the Revised Civil Statutes of the State of Texas, 1925, with reference to the organization, compensation, regulation, duties, and qualifications of the State Ranger force; providing for the repeal of Articles 6563, 6565, 6566, 6567, 6568, and 6569 of the 1925 Revised Civil Statutes of the State of Texas with reference to said Ranger force, and declaring an emergency."

Referred to Committee on State Affairs.

By Mr. Pope and Mr. Lotief:

H. B. No. 95, A bill to be entitled "An Act imposing additional duties on commissioners courts and the governing bodies of incorporated cities and towns, relating to public utilities; providing for the regulation of rates to be charged by public utilities, the character of service rendered; requiring reports to be made by utilities; providing for the employment of examiners, engineers, statisticians accountants, inspectors, clerks, and employes, etc.; and declaring an emergency."

Referred to Committee on State Affairs.

By Mr. Ratliff:

H. B. No. 96, A bill to be entitled "An Act amending Section ten (10) and Section twelve (12) of House Bill No. 768, Chapter 206, page 339, Acts of the Regular Session of the Forty-second Legislature, 1931, known as the Uniform Budget System for State and Local Governments; repealing all laws and parts of laws in conflict therewith, and declaring an emergency."

Referred to Committee on State Affairs.

By Mr. Ratliff:

H. B. No. 97, A bill to be entitled "An Act amending Article 841 of the Code of Criminal Procedure of the State of Texas, 1925, so as to provide that the clerk of a court from which an appeal is taken shall prepare a transcript in duplicate in every case, the copy to be filed in the trial court with the original papers in the case, and declaring an emergency."

Referred to Committee on Criminal Jurisprudence.

By Mr. Metcalfe:

H. B. No. 98, A bill to be entitled "An Act to amend Article 955, of the Revised Criminal Statutes of 1925, as amended by House Bill No. 406, Chapter 257, General and Special Laws of the Regular Session of the Forty-first Legislature, as amended by House Bill No. 179, Chapter 304, General and Special Laws of the Regular Session of the Forty-second Legislature, prohibiting the sale of fish taken from fresh water streams of certain named counties, etc., and declaring an emergency."

Referred to Committee on Game and Fisheries.

By Mr. Johnson of Dimmit:

H. B. No. 99, A bill to be entitled "An Act authorizing and directing the Commissioner of the General Land Office of the State of Texas, to deed, convey, assign, and/or transfer all right, title, and interest of whatsoever class, kind, or character directly or indirectly belonging to the State of Texas in and to that tract of land known as the 26.5-acre Park Site, situated near Concan Post Office, in Uvalde County, Texas, to A. B. Mayhew; and declaring an emergency."

Referred to Committee on Public Lands and Buildings.

By Mr. Johnson of Dimmit et al.:

H. B. No. 100, A bill to be entitled "An Act regulating and controlling representation in Legislative matters in the practice of influencing legislation by personal contact; prescribing limitations of such activities, outlining procedure for same and prescribing penalties for violation thereof and repealing Articles 179 to 183, inclusive, of the 1925 Penal Code of Texas, and declaring an emergency."

Referred to Committee on Criminal Jurisprudence.

By Mr. Adamson, Mr. Van Zandt, Mr. Sullivant, and Mr. Hoskins:

H. B. No. 101, A bill to be entitled "An Act defining 'lobbying' and 'lobbyist'; providing for application for license to lobby; providing for registration and publication of names of persons who lobby and the issuance of license by the Secretary of State and prescribing amount to be paid for license and regulating lobbying in this State; prescribing penalties for violation of any of the provisions of this Act; and declaring an emergency."

Referred to Committee on Criminal Jurisprudence.

By Mr. Vaughan:

H. B. No. 102, A bill to be entitled "An Act amending Article 2956, by adding thereto another section, Article 2956-a, providing that persons who are feeble, ill, and confined in bed or confined to the places of abode by reason of illness, may vote as absentees may vote under Article 2956; etc., and declaring an emergency."

Referred to Committee on Privileges, Suffrage, and Elections.

HOUSE JOINT RESOLUTIONS ON FIRST READING

The following House joint resolutions, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Johnson of Dimmit et al.:

H. J. R. No. 8, Proposing an Amendment to Sections 2, 4, 16, 22, and 23, of Article IV, of the Constitution of the State of Texas, so as to fix term of office of the Governor, Lieutenant-Governor, Comptroller of Public Accounts, Treasurer, Commissioner of

the General Land Office, and Attorney General at four years, etc."

Referred to Committee on Constitutional Amendments.

By Mr. Chastain:

H. J. R. No. 9, Proposing an Amendment to Section 1-a, of Article VIII, of the Constitution of the State of Texas, exempting three thousand dollars (\$3,000) of the assessed taxable value of all residence homesteads, as now defined by law, from all State, city, town, district, and other political subdivision purposes; etc."

Referred to Committee on Constitutional Amendments.

ADDRESS BY THE HON. FRED H. MINOR

Mr. Hyder offered the following resolution:

Whereas, Honorable Fred H. Minor, Speaker of the Forty-second House of Representatives, is present in the Hall of the House; therefore be it

Resolved, That he be invited to address the House.

The resolution was read second time, and was adopted.

In accordance with the above action, the Speaker announced the appointment of the following committee to escort Mr. Minor to the Speaker's stand: Messrs. Hyder, Patterson, and Ray.

The committee having performed their duty, Speaker Stevenson presented Mr. Hyder, who in turn introduced the Hon. Fred H. Minor.

Mr. Minor then addressed the House.

RELATIVE TO EXPENSE ACCOUNT OF THE SERGEANT-AT-ARMS

Mr. Kayton moved that the Sergeant-at-Arms of the House be allowed \$20 (twenty dollars) for telegraph expense, and/or telephone expense, and/or postage, or so much thereof as is needed.

The motion prevailed.

RESOLUTION SIGNED BY THE SPEAKER

The Speaker signed, in the presence of the House, after giving due

notice thereof, and its caption had been read, the following enrolled resolution:

S. C. R. No. 3, Fixing the per diem of the Members of the Legislature.

RELATIVE TO PAY OF CERTAIN MEMBERS OF THE SENATE

The Speaker laid before the House, for consideration at this time, the following resolution:

S. C. R. No. 5, Relative to pay of certain Members of the Senate.

Be it resolved, by the Senate of Texas, the House of Representatives concurring, That the pay of the Members of the Senate from the Eighth Senatorial District, Thirteenth Senatorial District, and Eighteenth Senatorial District for the Regular Session of the Forty-third Legislature, be, and the same is hereby, fixed at eight and no 100ths dollars (\$8.00) per diem, and no more; provided, however, that for each and every day such aforementioned Members shall be absent from a session of the Senate, unless such Member shall have been excused by the presiding officer, on account of illness or death, such Member shall receive one and no 100ths dollar (\$1.00) per day and no more.

The resolution was read second time.

Mr. Pope offered the following amendment to the resolution:

Amend Senate Concurrent Resolution No. 5 by adding at the end thereof the following: "Provided, that the words 'no more' as used herein shall be interpreted to exclude the taking of gratuities of any and every character, such as meals, drinks, transportation, picture show passes, and other favors."

Mr. Anderson of Bexar moved that the resolution and the amendment be referred to the Committee on Rules.

Mr. Harman raised a point of order on further consideration of the resolution and the motion on the ground that under the Rules of the House the resolution could not be referred to the Committee on Rules.

The Speaker overruled the point of order.

Question recurring on the motion by Mr. Anderson of Bexar, that the resolution be referred to the Committee on Rules, it prevailed.

MESSAGE FROM THE GOVERNOR

Mr. J. H. Davis, Jr., Secretary to the Governor, appeared at the Bar of the House and, being duly announced, presented the following message from the Governor, which was read to the House, as follows:

Executive Office,
Austin, Texas, January 18, 1933.

To the Forty-third Legislature:

In that memorable debate, before the Civil War, with Hayne of South Carolina in the National Congress, Daniel Webster said:

"When the mariner has been tossed for many days in thick weather and on an unknown sea, he naturally avails himself of the first pause of the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course."

May we not, gentlemen of the Forty-third Legislature, liken our position to this condition. For more than two years the people of the State of Texas, in line with the people of other States of the Nation, have been cast hither and thither upon the angry waves of financial distress and destructive depression. Upon every hand we hear, now, the wail of the orphan, the cry of distress, the murmur of discontent, and the protest of the unemployed. As the result of the trials and afflictions which have beset us, we behold the destruction of the values of homes in the country and the towns and the cities. Debt and the attempt to collect has destroyed the morale of our people and the storm of foreclosure still rages around us, and nobody knows what the ending will be. The most valuable home in town, the most valuable home in the country have felt the shock of depression and they are, today, worthless in the markets of the country. Nearly every office building that has heretofore housed hundreds of employes at profitable wages are fast becoming empty and vacated, because of the ever-increasing burden of interest and taxes. If we go to the country the picture is worse, and travel in any direction for twenty-five miles and we will hardly find a residence that will turn the rain in time of storm, or keep the family dry.

Gentlemen of the Forty-third Legislature, you meet under these conditions and the people trust that there has come a pause in the storm and they look to you as a star of hope that may bring, at least, some relief from oppressions too grievous to bear.

You meet under unusual conditions. You perhaps have the most serious problems that ever confronted the Legislature of any State. Ordinary treatments will not solve the present situation. You must put on the armor of battle and gird up your loins in the spirit of determination to do the needful, though it may call for action radical and unusual. Your duty will be no child's play. You must be at once resolved to do things that you never dreamed you would do as late as ten years ago.

It is with a personal desire for your co-operation in the success of the purpose for which the people have called us that I transmit to you today such suggestions which I hope will receive your prompt and earnest consideration. I'm not wedded to my plan to the extent that I will not gladly consider any viewpoint that you may advance. What I shall recommend to you, in accordance with my duty under the law, shall be with a hope that it might receive your favorable approval in the absence of some better plan which you may advance. In accordance with the law which makes me the chief Budget Officer of the State, I transmit to you, herewith, six budget bills. They cover:

- Appropriations for certain eleemosynary institutions.
- Departmental appropriation.
- Educational appropriation.
- Judicial appropriation.
- Emergency appropriation.
- Rural schools appropriation.

You will observe that appropriations for these purposes in these bills show a reduction over the biennium of 1932 and 1933, of \$8,494,405 for the fiscal year 1934, and \$6,612,319 for the fiscal year 1935, making a total reduction proposed of \$15,106,724 for the next biennium.

An examination of the Comptroller's records discloses that the total State deficit at the end of the last fiscal year, August 31, 1932, was as follows:

General Revenue deficit	\$ 1,602,370.85
Available school deficit..	4,234,607.73
Confederate Pension deficit	2,825,881.46
<hr/>	
Total State deficit, Aug. 31, 1932.....	\$ 8,662,860.04

On January first, just past, the total State deficit will be as follows:

General Revenue deficit	\$ 4,500,800.34
Available school deficit	3,889,543.93
Confederate Pension deficit	3,558,870.32
<hr/>	
Making the total State deficit as of January 1, just past.....	\$11,949,214.59

The serious question that then confronts us is how to pay this debt and put these funds upon a cash basis, and restore the credit of the State.

Let me go further and give further figures to show how large the task is. If we would pay our debts and run the Government and keep the school apportionment at seventeen dollars and a half, and discharge our duties to the Confederate pensioners, we find (taking the last fiscal year as a basis of our necessities) that we must provide as follows:

For General Revenue Ad Valorem Fund	\$13,535,563.48
For Available School Ad Valorem Fund	21,714,264.96
For Confederate Pension deficit	2,183,053.29
<hr/>	
Total	\$37,352,881.73

To this must be added the deficit accruing at the end of the last fiscal year, Aug. 31, 1932, of	8,662,860.04
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Making a total of...	\$46,015,741.77

to be provided for.

How to raise and pay this sum is the task which confronts this Administration.

I propose the following: For the first fiscal year ending August 31, 1934, that we reduce the appropriations for the last biennium in the sum of \$8,494,405, and in the budget bills

herewith enclosed, I have indicated how and where this reduction can be effected.

Taking this reduction from the above total requirements of \$46,015,741.77 it will leave \$37,521,337.77 to be raised. To collect this sum under the plan hereinafter recommended, I have added 4 per cent for collection fees, or \$1,508,534.70, making a grand total sum of \$39,029,871.49 to be provided to restore the credit of the State and pay its debt, and run the Government.

If we continue the present plan of taxes upon real estate, commonly known as ad valorem taxes, it would exceed the constitutional limit, and under present conditions it would not be paid, only in part. The present total deficit of \$11,949,214.59 is ample warning to us of how uncertain it will be to depend upon ad valorem taxes to meet our needs in the future. We had just as well face the problem seriously and recognize that real estate values upon which ad valorem taxes are based are fast slipping, and the ability of the people who own real estate to further pay ad valorem taxes is becoming almost an impossibility. Under present conditions, school funds are being cut down, official salaries are not paid, and if something heroic is not done, then Texas must face a deplorable condition.

I have given much thought to our problems and I have called in the advice of those I considered competent and reliable to counsel with me on how to pay our debts, maintain our credit, and in truth and in fact, how to "balance the budget." This term of balancing the budget, boiled down to every-day language, means the problem of how to pay for what you get and keep out of debt.

I have decided to recommend to the Legislature the passage of what is known as the Sales Tax upon commercial purchases. I am transmitting a copy of the law, which I have had prepared, to the Senate for its information, and another copy of the law to the House of Representatives, where all bills for revenues must originate. I trust that this law, as proposed, will receive your careful study and consideration. If any better plan can be proposed, I welcome it; but I think the burden should fall upon those who oppose the law to offer a better plan in specific terms before my recommendations are rejected.

Really and truly, this is a time for affirmative action and not officious objection.

Let us see how my proposition might work out: The Department of Commerce of the Federal Government estimates that the net commercial sales in Texas for the year 1929 were \$2,074,164,554. It will be remembered that that year was one of reasonable prosperity and the abilities of the Texas people to purchase were very different from present conditions. For certainty of calculation, I am assuming that this stupendous sum of over two billion dollars will be decreased to \$1,500,000,000, or a reduction in round numbers of 25 per cent. In the natural order of things I am frank to say there is some uncertainty as to the total amount of purchases by the Texas people, and a liberal rate must be levied in order to obtain sufficient taxes to meet all the obligations of the State Government. If we collected too little it would lead to confusion and disappointment and financial distress; whereas, if we collected a few million too much it could be used in reducing the next year's appropriation. Therefore, I suggest a tax of 3 per cent on all commercial sales, with but few exemptions, and I invite your special attention to the schedule in the law which I send to you. The results then would be approximately as follows: Three per cent on \$1,500,000,000 purchases or a collection of \$45,000,000 for the fiscal year ending August 31, 1934. However, I suggest that the law be made effective at once in order that we may begin to pay our deficit of nearly \$12,000,000 and meet the pressing expenses of administration.

If we deduct from this \$45,000,000 of gross receipts the amount above mentioned for General Revenue, School Ad Valorem, and Confederate Pension of \$39,029,871.47, we would have a surplus of \$5,970,129, which would represent a surplus in the Treasury; but, as I said before, we had better provide for a collection of an ample amount rather than for an insufficient amount which would not enable us to balance the budget.

Of course, I admit that this plan of taxation is an unusual departure from beaten paths heretofore followed, but for reasons above stated, present laws will not meet the situation and financial disaster must be the result if they are persisted in. The recommenda-

tion which I make presupposes an average tax of \$39 on 1,000,000 families in Texas. It would range, of course, from the small purchases of \$400 on the small wage-earner or farmer to \$5,000 of the well-to-do people of the country. It would represent a tax of 3 per cent on \$400 minimum, or \$12 to \$150 on the purchase of \$5,000 for the rich and well-to-do families. Really, the tax would not be burdensome. With a population in round numbers of 6,000,000 people in Texas and the entire \$45,000,000 which the 3 per cent tax would yield, it would be an average of only \$7.50 per capita.

If it be urged that this tax might fall heavily on the poor, let me say that by this plan we could keep the schools open on a full \$17.50 apportionment and, while the small family would pay a minimum of \$12 and certainly not more than \$24, the Government would hand back to the family \$17.50 per student in school service and an average of \$2.50 in free text books, or \$20 in return for each child in the family, and for the average of three children it would be \$60 that the Government would return in lieu of the tax of \$12 or \$24, as the case might be. This tax will be paid as purchases are made. They will be collected by the merchants who will, of course, pass the tax on to the purchaser. And there is no denial that it will be a tax on the people. However, I want to impress that it will not be an additional tax, but it will be a substitute tax which we are now unable to pay. It has been provided in the law which I send you that the sales tax shall take the place of present ad valorem taxes.

Another advantage from this law will be that it will solve the trouble already uppermost in the minds of the taxing authorities, where to get the additional revenue that has been provided for by a constitutional amendment for exemption of \$3,000 homestead exemptions.

It would not only relieve the homes, but would relieve all real estate of State ad valorem taxes. If it be urged that it amounts to an exemption of large real estate holders, let me say that this relieves only State ad valorem taxes and leaves all real estate subject to city and county taxes as now provided by law, a burden already impossible to bear.

In addition to this, it will leave all taxes now collected by law other than ad valorem taxes in force and effect, and it will leave the gasoline tax in possession of sufficient funds to pay the road bond indebtedness of the various counties of the State without serious impairment to the operation of the Highway Department.

The principle of the sales tax is not a new idea to Texas in any sense of the word. We now collect a gasoline tax, which is nothing but a sales tax. We collect a cigarette tax, which is a sales tax. No informed person would repeal these taxes, and the sales tax law is just an expansion of the same principles which we have tried with success.

The person who is not able to buy much does not have to pay much tax. If the farmer would produce his living on the farm he would not have to pay but little or no tax, but if people are prosperous and able to make extensive purchases of merchandise they pay the tax to the merchant with the price of the goods, and same is remitted to the Government every month, and if we will inaugurate the law in Texas we will soon be on the Old Alcalde Roberts plan of pay as you go.

It will relieve us from this awful expense of collecting delinquent taxes now estimated to be 20 per cent and relieve us of the never-ending discussion of inequality of equalization values in the different counties of the State. I trust that the sales tax, along the lines which I have suggested, be given favorable and official approval.

H. B. No. ... By

A BILL

To Be Entitled

An Act levying and providing for payment and collection of occupation taxes upon persons engaged (within this State) in mining, quarrying, or otherwise producing from the earth, minerals or other earthen constituents and selling same, persons engaged in manufacturing or felling and/or treating and selling timber, persons engaged in manufacturing, compounding, and refining and selling commercial articles and commodities, persons engaged in jobbing or wholesaling or brokering property

or articles and commodities, persons engaged in retail selling of commercial articles, persons engaged in fabricating or treating structural metals or timbers or lumber, persons engaged in common carriage for hire of passengers, goods and commodities, persons engaged in transporting property by (Class B) trucks operated on public highways, persons engaged in contracting of or for buildings, etc., persons engaged in inn-keeping, etc., persons engaged in printing or publishing newspapers, etc., persons engaged in distribution and selling of natural gas, etc., and providing for ascertainment of the amount of such tax to be paid to the State of Texas at times and in manner provided in the Act and requiring such taxed persons to make and file reports of gross-receipts of their occupations, etc.,—all with certain exceptions provided,—providing for penalties for failure to make such reports when due and/or for failure to pay such taxes when due, providing for separability of provisions of the Act (in event some be held unconstitutional) and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. (Definitions). Wherever used in this Act:

The word "person" means the pursuer of an occupation,—whether such pursuer be a natural person or a firm (or other non-corporate association) of natural persons or a corporation (other than municipal), or a natural person (or group of natural persons) or a corporation acting as trustee, agent, or receiver; the word "he" or "his" or "themselves" is used to refer to such a "person."

The word "occupation" (used directly or by reference) means course of activities regularly prosecuted for gain at or from established place or places of business.

The term "gross receipts" means the total gross revenues (in money and/or in other things of value at their reasonable market values) received or contracted to be received (and whether actually received or not) by a "person" from or on account of any and all parts of the occupation in reference to which the

term is used and without any deduction whatever therefrom for or on account of costs or losses to (or expenses of) such "person."

The term "sale" includes exchange of properties as well as transfer of same for money then received or contracted for,—every such closed transaction constituting a sale; and "selling" means making of sales in an established business.

Sec. 2. Upon each person who pursues (within this State) an occupation described in an item of this section there is hereby levied (account of pursuit of such occupation in intrastate commerce) a tax in amount equal to the per centum of his gross receipts of or from such occupation stated (as to such per centum) in immediate connection with the description of the occupation in such item; and such tax shall become and be due and payable to the State of Texas at times and in the manner provided for in subsequent sections of this Act. The items and per centums above mentioned are those shown in the table next set forth hereinbelow:

Item	Amount
1. Mining, quarrying or otherwise producing from the earth minerals (other than oil, natural gas or sulphur), sand, gravel, rock or other earthen constituents for sale or any commercial use and selling same in form as produced or in altered form or state....	3%
2. Felling timber and/or converting same into lumber or structural materials and selling same	3%
3. Manufacturing, compounding or refining (other than such acts or processes as may be included in pursuit of either of the occupations described in Items "1" and "2" above), from materials of a rawer or different state, an article or commodity (other than gasoline) for sale or any commercial use and selling same.	3%
4. Fabricating or treating (other than such acts or processes as may be included in pursuit of either of the occupations described in Items "1", "2", and "3" above) structural metals, timber, or lumber...	3%

Item	Amount	Item	Amount
5. Jobbing, or wholesale selling (other than by a producer or a manufacturer, compounder or refiner whose occupation is described in either of Items "1", "2", or "3" above), of a commercial article or commodity (other than gasoline and cigarettes)	3%	11. Inn-keeping (including operations of hotels or restaurants either separately or in conjunction	3%
6. Retail selling (other than such as may be included in pursuit of an occupation described in Items "1", "2" or "3" above and other than such selling of articles as is now subjected to occupation taxation by terms of Article 7047, R. S., 1925, or Chapter 212 of the Acts of the Forty-second Legislature, Regular Session, 1931, or Chapter 267 of the Acts of the Forty-second Legislature, Regular Session, 1931), of a commercial article or commodity (other than gasoline and cigarettes)	3%	12. Printing and/or publishing newspapers, magazines, periodicals and/or books and selling same	3%
7. Brokering (other than "Jobbing" as described in Item "5" above and other than such operations as are now subjected to occupation taxation by Chapter 4 of the Acts of the Forty-first Legislature, Fifth Called Session, 1930, or by any law referred to in Item "6" above), of or in respect of property (tangible or intangible or mixed or real or personal)	3%	13. Distribution and selling of natural gas which has been secured or purchased from a "producer" (such as is defined and subjected to taxation by terms of Chapter 73 of the Acts of the Forty-second Legislature, Regular Session, 1931) of such gas	3%
8. Common-carriage for compensation (other than express companies now subject to tax by terms of Article 7058, R. S., 1925), of passengers, goods, gases, oils or other commodities by use of any kind of vehicle, device or facility	3%	14. The amount of tax for which a person engaged in an occupation described in Items "7", "10" or "11" shall be liable, in no event, shall be less than \$25 per year.	
9. Carriage of goods or commodities by trucks operated on public highways and classified as "Class B" trucks or operations in Chapter 277 of Acts of the Forty-second Legislature, Regular Session.	3%	15. Procuring or giving advertising or publicity (including radio broadcasting) for other persons, but excluding such application as is included in the occupation described in Item "12"	3%
10. Contracting (for or in respect of erecting, repairing or maintaining of building, bridges, paving, highways, streets, railroads or levee or drainage excavations or embankments)	3%	<p>It is not intended that any description of an occupation in any of the above stated Items shall be held to include or refer to an agricultural or mechanical pursuit such as is mentioned in the fifth sentence of Section 1 of Article VIII of the Constitution of Texas.</p> <p>Sec. 3. On or in accordance with the forms therefor prepared by the Comptroller of Public Accounts of the State of Texas and on or before the 15th day of March, 1933, each person subjected to payment of tax by terms of this Act shall file with such officer a report (verified, to effect that the statements therein made are true, by affidavit of such person or his duly authorized agent) showing (a) description of his business (and of each of his businesses, if he be engaged in more than one such business as is described in the table of Items set forth in Section 2 above); (b) main office or place thereof; (c) period of time last past during which he has been engaged therein, and (d) the total amount of his "gross receipts" (during the thirty days next preceding March 1, 1933) of or from his</p>	

occupation account of which he is taxed by terms of this Act—such receipts to be shown separately for each such occupation if he be engaged in more than one and if such total receipts include revenues derived from or account of interstate business or transactions the total shall be shown as subdivided as between intrastate and interstate revenues.

On or before the fifteenth day of each month (succeeding March, 1933) such a report (for and covering such occupation and receipts for the calendar month next preceding the one in which such report is required to be filed) shall be so prepared and filed by each person engaged in an occupation (or occupations) described in Items "1" to "6," inclusive, "8," "9," "11," "12," and "13" of the table shown in Section 2 above. On or before the 15th day of January, 1934 (and annually thereafter on or before the 15th day of January) such a report (for and covering such occupation and receipts for the year next preceding the month in which such report is required to be filed) and shall be so prepared and filed by each person engaged in an occupation (or occupations) described in Items "7," and "10" of the table shown in Section 2 above.

On or before the date when any such report is required (as above provided) to be filed the person so required to file same shall pay or cause to be paid to the Treasurer of the State of Texas, as tax provided for in this Act, the amount of money shown (by calculation) by applying the rate or measure of taxation provided for in Section 2 of this Act to the factors or data shown (or which ought to be and is required to be shown) in such report.

Any person who shall fail to file (within the time provided herein therefor) any report required by any provision of this Act to be filed shall become and be liable (as penalty) to the State of Texas in and for a sum of money equal to 10 per centum of the amount of tax due by him (under terms of this Act) for the period which ought (under the terms of this Act) to be covered by such report, plus the sum of \$50 per day for the period of such delinquency. Any person who shall fail to pay (within the period of time hereinabove provided therefor) any amount of tax provided for in this Act shall become and

be liable (as penalty) to the State of Texas in and for a sum of money equal to 10 per centum of the amount of such delinquent tax plus the sum of \$50 per day for the period of such delinquency and, in addition thereto, shall be so liable for interest (at the rate of 6 per centum per annum) upon the amount of such delinquent tax and penalty.

If for any reason, the Comptroller of Public Accounts is not satisfied with any such report made as is hereinabove provided for, he may require the person who made same to make additional or supplemental reports (verified as to truth by the oath of such person or his authorized agent) containing information and data upon or in respect of such matters as he may need or deem necessary to ascertain the true and correct amount for which such person is liable as provided for in this Act.

If on account of any close relationship between the buyer and seller of any article, commodity, or product referred to in any of the Items above stated, or for any other reason, the actual gross receipts (received or contracted for) of the person subjected (by this Act) to taxation shall be nothing or shall be substantially less than the amount of gross receipts generally received or contracted for, for the same or like articles, commodities, or products by others engaged in a like occupation, the gross receipts so generally received or contracted for (instead of the gross receipts so actually received or contracted for) shall be taken as the true gross receipts factor in calculating and ascertaining the amount of tax levied by (or due or to become due under) this Act.

Sec. 4. After this Act becomes effective, there shall not be levied or assessed any ad valorem tax for any State or State-wide purpose (other than such a tax, if any, as may be mandatorily required to be levied and assessed by some provision of the Constitution of Texas), upon, against, or account of real or personal property; and if levy and assessment of any such ad valorem tax be so required, the rate of such levy or tax shall not exceed the minimum thereof as so required.

Sec. 5. If it should be finally determined that the Legislature is without

power to levy or provide for the collection of the amount of tax provided for in this Act (in respect of a particular occupation) account of revenues derived from interstate business or transactions being required to be reported and considered in ascertaining the amount of such tax, then the amount of such tax (herein and hereby levied and to be due and payable in such event) shall be, in any such instance, the appropriate per centum (as prescribed in the Table of Items in Section 2 above) of gross receipts derived in or from intrastate business or transactions.

Sec. 6. If any clause, sentence, or part of this Act shall, for any reason, be held to be unconstitutional, each other part thereof shall, nevertheless, be and remain in force and effect.

Sec. 6-a. It shall be unlawful for any person to fail or refuse to make any such report as is provided for him (or her or it) in Section 3 above or for any person (or officer or agent thereof) to make (or cause to be made) false statement in any report (required by this Act), with intent to defraud the State of Texas or to evade payment of or liability for any tax or part of any tax or penalty provided for in this Act, or for any person (or agent or officer thereof) to aid or abet any other person in any such attempt to evade such payment or liability or for any person or agent thereof to fail or refuse to permit the Comptroller or his duly authorized agent or representative to examine any property, book, record, or paper of such person or agent pertaining in any way to an occupation account of pursuit of which tax is imposed by this Act. Any natural person violating any provision of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by fine in an amount not exceeding \$500 or by imprisonment (in a county jail) for a term not exceeding six months, or by both such fine and imprisonment. Any corporation which violates (or causes or knowingly permits to be violated) any provision of this section shall be liable to and for a penalty in a sum of not more than \$5,000, collectible through civil suit instituted therefor by or under direction of the Attorney General of Texas. Penalties (whether fines, imprisonment, or

others) provided for in this section are cumulative of and additional to penalties provided for in Section 3 above.

Sec. 7. Taxes paid as required by this Act (and those paid after effective date of this Act, under or as required by terms of Articles 7047 and amendments thereof and Articles 7059, 7061, 7062, 7063, 7064, 7069, 7070, 7071, and 7072, Revised Civil Statutes of Texas, 1925, and Chapters 18 and 73, and 212 and 222 and 267, of the Acts of the Forty-second Legislature, Regular Session, and Chapter 34, of Acts of the Forty-second Legislature, Fifth Called Session, and Chapter 75, of the Acts of the Forty-first Legislature, Fifth Called Session, and by Articles 7084 and 7097, inclusive, of Revised Civil Statutes of Texas, 1925, as amended, or any other occupation or franchise tax law, except the so-called "Gasoline Tax Law"—Chapter 98, of Acts of the Forty-second Legislature, Regular Session, and except the motor vehicle registration fee law—Chapter 88, of Acts of the Forty-first Legislature, Second Called Session, and Chapter 23, of Acts of the Forty-first Legislature, Fifth Called Session, and Chapter 211, of Acts of the Fortieth Legislature) shall be credited to and placed in State funds in the State Treasury in respective proportions as follows: General Revenue Fund, 40 per centum; Available School Fund, 55 per centum; Confederate Pension Fund, 5 per centum.

Sec. 8. Inadequacy of funds (available and to become available under operation of existing laws) necessary for proper support and maintenance of the State Government and the State's institutions and agencies, creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days be suspended and that this Act shall take and be in effect immediately upon and from its passage,—and such rule is suspended, and it is so enacted.

Respectfully submitted,
MIRIAM A. FERGUSON,
Governor.

INVITATION TO MRS. T. B. GRIFFITH OF KAUFMAN COUNTY

Mr. Morrison offered the following resolution:

Whereas, Thursday, January 19, is the one hundred and twenty-sixth anniversary of the birth of that great distinguished Southern gentleman and leader, Robert E. Lee, general of the Confederate forces during the Civil War; and

Whereas, Saturday, January 21, is the one hundred and ninth anniversary of the birth of another great Southern leader and general, Thomas Jonathan Jackson, better known as Stonewall Jackson, because of his great stand in the Battle of Rull Run; and

Whereas, Mrs. T. B. Griffith, of Terrell, Kaufman County, Texas, a very accomplished lady, a charter member of the Texas Poetry Society, a daughter of the Republic of Texas, a recent delegate to the State Democratic Convention at Houston, a delegate to the National Democratic Convention at Chicago, and a delegate to the State Democratic Convention at Lubbock, a daughter of the Confederacy, who attended the inaugural ceremonies, and who is now attending the Texas meeting of the Daughters of the Confederacy at the Driskill Hotel, has prepared and written a very beautiful original poem honoring the names of these two great heroes, General Robert E. Lee and Stonewall Jackson; therefore, be it

Resolved by the House of Representatives, State of Texas, now assembled in Regular Session at Austin, Texas, That said legislative body invite Mrs. T. B. Griffith to read this poem, composed by her, to the Members of the House of Representatives honoring these great Southern leaders and heroes, Robert E. Lee and Stonewall Jackson, and her poem be copied in the House Journal records.

Signed—Morrison, Savage, Calvert, Hoskins, Hicks, Stinson.

The resolution was read second time, and was adopted.

In accordance with the above action, the Speaker announced the appointment of the following committee to escort Mrs. Griffith to the Speaker's stand: Messrs. Morrison, Savage, and Calvert.

The committee having performed their duty, Speaker Stevenson presented Mr. Morrison, who, in turn, introduced Mrs. Griffith.

Mrs. Griffith then addressed the House, and read a poem of her own composition to the House.

On motion of Mr. Van Zandt, a page of the House Journal of Thursday, January 19, was ordered set aside in the honor and memory of Robert E. Lee and Stonewall Jackson.

RELATIVE TO THE REPORT OF TEMPORARY COMMITTEE ON RULES

On motion of Mr. Pope, the House extended the time for the report of the Temporary Committee on Rules until 10 o'clock a. m., Thursday, January 19.

RELATIVE TO STANDING COMMITTEES OF THE HOUSE

Mr. Mathis moved that the Chairmen of the Standing Committees of the House be requested to meet at 4 o'clock p. m., for the purpose of arranging the committee meeting schedules.

The motion prevailed.

COMMITTEE CLERK APPOINTED

The Speaker announced the appointment of Homer J. McKenzie as a committee clerk.

ADJOURNMENT

On motion of Mr. Patterson, the House, at 4:05 o'clock p. m., adjourned until 10 o'clock a. m., tomorrow.

APPENDIX

STANDING COMMITTEE REPORT

The Committee on Common Carriers filed a favorable report on House Bill No. 18.

REPORT OF THE COMMITTEE ON ENROLLED BILLS

Committee Room,

Austin, Texas, January 13, 1933.

Hon. Coke Stevenson, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 4, Relative to expenses of the inaugural ceremonies,

Has carefully compared same, and finds it correctly enrolled.

LOUISE SNOW PHINNEY,
For Chairman.

Committee Room,
Austin, Texas, January 13, 1933.
Hon. Coke Stevenson, Speaker of the
House of Representatives.

Sir: Your Committee on Enrolled
Bills, to whom was referred

H. C. R. No. 2, Providing for a
Joint Session of the House and Sen-
ate to count votes cast for Governor
and Lieutenant-Governor,

Has carefully compared same, and
finds it correctly enrolled.

LOUISE SNOW PHINNEY,
For Chairman.

Committee Room,
Austin, Texas, January 13, 1933.
Hon. Coke Stevenson, Speaker of the
House of Representatives.

Sir: Your Committee on Enrolled
Bills, to whom was referred

H. C. R. No. 3, Providing for the
appointment of a committee to count
votes cast for Governor and Lieuten-
ant-Governor,

Has carefully compared same, and
finds it correctly enrolled.

LOUISE SNOW PHINNEY,
For Chairman.

EIGHTH DAY

(Thursday, January 19, 1933)

The House met at 10 o'clock a. m.,
pursuant to adjournment, and was
called to order by Speaker Stevenson.

The roll was called and the follow-
ing Members were present:

Mr. Speaker.	Caven.
Adamson.	Chastain.
Aikin.	Clayton.
Alexander.	Colson.
Alsup.	Coombes.
Anderson	Cowley.
of Bexar.	Crossley.
Anderson	Daniel.
of Johnson.	Davidson.
Baker.	Dean.
Barrett.	Devall.
Barron.	Dunlap.
Beck.	Dunagan.
Bedford.	Duvall.
Bourne.	Dwyer.
Bradley.	Engelhard.
Burns.	Fain.
Butler.	Few.
Calvert.	Fisher.
Camp.	Ford.
Canon.	Fuchs.
Cathey.	Glass.

Golson.	Moffett.
Good.	Moore.
Goodman.	Morrison.
Graves.	Morse.
Greathouse.	Munson.
Griffith.	Nicholson.
Haag.	Palmer.
Hankamer.	Parkhouse.
Harman.	Patterson.
Harris.	Pavlica.
Harrison.	Pope.
Hartzog.	Puryear.
Head.	Ramsey.
Hicks.	Ratliff.
Hill of Brazoria.	Ray.
Hill of Webb.	Reader.
Hodges.	Reed of Bowie.
Holekamp.	Reed of Dallas.
Holland.	Renfro.
Holloway.	Riddle.
Hoskins.	Roberts.
Huddleston.	Rogers of Hunt.
Hughes.	Rogers
Hunt.	of Ochiltree.
Hyder.	Rollins.
Jackson.	Ross.
James.	Russell.
Jefferson.	Savage.
Johnson	Scarborough.
of Anderson.	Scott.
Johnson	Shannon.
of Dimmit.	Shults.
Jones of Atascosa.	Smith.
Jones of Runnels.	Stanfield.
Jones of Shelby.	Steward.
Kayton.	Stinson.
Kyle of Hays.	Stovall.
Kyle of Palo Pinto.	Sullivant.
Laird.	Tarwater.
Latham.	Tennyson.
Lemens.	Thomas.
Leonard.	Tillery.
Long.	Townsend.
Lotief.	Turlington.
Magee.	Van Zandt.
Mackay.	Vaughan.
Mathis.	Wagstaff.
McClain.	Walker.
McCullough.	Weinert.
McGregor.	Wells.
McKee.	West.
Merritt.	Winningham.
Metcalfe.	Wood.
Mitcham.	Young.

Absent—Excused

Hester.	McDougald.
Lindsey.	

A quorum was announced present.
Prayer was offered by Rev. Geo. W.
Coltrin, Chaplain.

LEAVES OF ABSENCE GRANTED

The following Members were grant-
ed leaves of absence: